

New York State Office Of General Services
Procurement Services Group
Corning Tower Building
Empire State Plaza
Albany, New York 12242
<http://www.ogs.state.ny.us>

PURCHASING MEMORANDUM

GENERAL INFORMATION BULLETIN

NUMBER: CL-605

DATE: January 4, 2005

Additional Clarification Please Contact:

NYS Department of Tax and Finance

State agencies and authorities may call 1-800-698-2931

Vendors may call 1-800-972-1233

SUBJECT: NEW TAX LAW CERTIFICATION REQUIREMENT

TO ALL PROSPECTIVE BIDDERS/CONTRACTORS:

Effective January 1, 2005, Laws 2004, Chapter 60, Part N Tax Law § 5-a, becomes effective and applies to contracts resulting from solicitations to purchase products or services issued by covered agencies for contracts valued in excess of \$15,000.

The law requires that contractors, prior to approval of contracts valued at more than \$15,000, certify that they, their affiliates, subcontractors and the affiliates of their subcontractors have a valid certificate of authority to collect New York State and local sales and compensating use taxes if the contractors, affiliates, subcontractors and the affiliates of their subcontractors have made sales delivered by any means to locations within New York State of tangible personal property or taxable services having a cumulative value in excess of \$300,000, during the four quarterly periods ending on the last day of February, May, August, and November which immediately preceded the quarterly period in which this certification is made.

Contractors must also certify, at specified intervals during the terms of multi-year contracts and those contracts subject to renewal upon expiration of an initial or renewal term, that they, as well as their affiliates, subcontractors and subcontractors' affiliates making sales delivered within New York State have a valid certificate of authority to collect New York State and local sales and compensating use taxes.

Proposed contractors to New York State are hereby notified that provisions to meet the statutory requirements will be contained in all bid documents for products and services valued in excess of \$15,000. Proposed contractors will be required to affirm, immediately upon request by the Office of General Services if affirmation is not contained in the bid documents, that proposed contractors, and to the best of their ability that their affiliates, subcontractors and subcontractors' affiliates are duly registered with the Tax Department and hold a valid certificate of authority.

The Tax Department is prepared to answer all questions relating to implementation of the new law. Please refer to the Tax web site for detailed information: http://www.nystax.gov/sbc/nys_contractors.htm. State agencies and authorities may contact the Tax Department at 1-800-698-2931 and vendors may contact the Tax Department at 1-800-972 1233 for additional clarification.